Foreign Agricultural Service
GAIN Report
Global Agriculture Information Network

Voluntary Report - public distribution

Date: 10/25/2002

GAIN Report #PL2033

Poland

Product Brief

Dried Fruit and Nuts

2002

Approved by:
Wayne Molstad, Agricultural Counselor
U.S. Embassy
Prepared by:
Jolanta Ganczewska, Marketing Specialist
Michelle Gregory, Agricultural Intern

Report Highlights:
Demand for dried fruit and nuts is rising in Poland. Prospects for dried fruit and nut exports to Poland are increasing as import duties should decline upon Poland's likely EU accession in 2004.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Warsaw [PL1], PL

Section I. Market Overview

Quick snacks and foods are showing continued expansion in the Polish food industry. Polish consumers perceive dried fruit & nuts as a positive, healthful form of food "on the go." As a result, this sector shows overall growth, despite a slowdown in the Polish economy. Total imports of dried fruit & nuts in 2001 were 45,772 MT, an increase of 12% from the year 2000. This developing market has brought forth a variety of changes, including bulk packaging. While bulk packaging brings in a higher quantity of product, it has proven to decrease overall quality. Low tariffs for raw shelled and unshelled peanuts and newly decreased tariffs for almonds may offer U.S. dried fruit and nut suppliers the opportunity to capture a larger market share in Poland. U.S. opportunities should expand further after Poland's hoped for EU accession in 2004, when relatively high Polish import duties are replaced by lower EU external rates as outlined in "Table III. Dried Fruit and Nut Tariffs".

Market research shows that about 32 percent of the Polish population buys a variety of nuts and dried fruit throughout the year. Nearly 65 percent of the Polish population purchases nuts once in a month, 25 percent purchases nuts once a week, and 7 percent purchase nuts more than once during a week. Among the nuts available on the Polish market the following are the most popular: peanuts, walnuts, hazelnuts and almonds.

No detailed data on dried fruit consumption are available. The most popular dried fruits on the Polish market are: raisins, prunes, appricots, figs, dates, apples, and pears. Dried cranberries are new to the market, but also gaining popularity.

Demand for these products greatly increases between January and May. This is stimulated by Carnival season, Easter holidays, and a decrease in fresh fruit consumption during this period.
Polish consumers, ages 15 to 19, are the biggest consumers of dried fruit and nuts. This age group likes the health food aspect and use of nuts and dried fruit as snacks. In addition, these products are also quite popular with the 20-49 year old age group. Consumption in the age group of above 50 years is very marginal. Consumption decreases at this age mainly due to low income levels and no tradition of using nuts and dried fruit as snacks. Market research results show that these products are most popular in medium (above 500,000 people) and larger cities among consumers with at least high school education and college degrees within the medium and high income levels.

Advantages	Challenges
Polish consumption of dried fruit & nuts is on the rise.	Competition with snack food industry.
Market is opening to new products such as flavored peanuts and almonds. Further development of alcoholic beverage advertisement could be utilized to promote this new category.	Developing countries enjoy preferential Polish import duties on raw and processed peanuts.
Tariffs on almonds have been significantly reduced: in shell almonds (16%) decreased to 5.6%, while shelled almonds (16%) decreased to 3.5%.	EU member states are allowed duty free market access.
Consumers consider U.S. products to be higher quality.	Getting fresh products to the consumer.

Section II. Market Sector Opportunities and Threats

1) Entry Strategy

Larger firms have traditionally distributed products in this sector through wholesalers. However, more dried fruit & nut importers are tending toward direct distribution to the retail market. Direct distribution reduces overall cost and avoids the loss of product freshness that results in declining sales. Larger firms have also introduced sales representatives in the field to process orders and to disseminate market information back to the firm. The smaller, less capital accessible firms still rely on the wholesaler link to the market. These firms do not have the capital necessary to distribute their product internally.

Exporters of U.S. dried fruit and nuts may obtain a list of current Polish importers by contacting the Office of Agricultural Affairs of the U.S. Embassy in Warsaw (see Section V).

2) Market Size, Structure, Trends

The retail centers for dried fruit & nut sales are broken into several segments. They include hypermarkets, supermarkets and discount stores, convenience stores, traditional stores, and kiosks. Hypermarkets have been growing in number throughout Poland and offer the largest variety and shelf space of any segment. Supermarkets and discount stores also offer a large variety of dried fruit & nuts and shelf space. Convenience stores are a new and growing distribution channel located at railway, bus, and gas stations throughout Poland. The number of these stores is expected to double over next few years and will likely offer the greatest potential for market growth in snack products such as dried fruit & nuts. In addition, Poland’s vehicle sales increased sharply over the last several years which makes the gas stations with food stores an increasingly attractive retail outlet. Traditional stores and kiosks offer the least amount of variety and shelf space for dried fruit & nuts but make up the largest percentage of stores.

In terms of substitutes, the potato chip/snack food industry competes heavily with the dried fruit and nuts sector. Firms involved in this industry advertise heavily through TV and billboards to increase their sales of these products. Fresh fruit and vegetables compete with dried fruit and nuts during the months of June through August. Consumption of dried fruit and nuts is the strongest during the months of September through May.

While overall imports showed a growth of 12%, new trends in market development have promoted an increase in bulk packaging from grams to kilograms, which has dampened quality. In addition, foreign retail outlets in Poland often demand the same product terms and prices as occur among their Western European outlets. The following tables show a break down of the dried fruit and nuts imported to Poland.

Table I. Dried Fruit & Nuts Import Tables

Almonds in shell, fresh or dried, 080211						
	1999		**2000**		**2001**	
Country	Qty. in Metric Tons	USD $1000	Qty. in Metric Tons	USD $1000	Qty. in Metric Tons	USD $1000
Greece			11	40	19	56
Spain			2	2	22	64
United States	53	125	67	153	150	399
World Total	69	191	104	216	191	521

Almonds, fresh or dried, shelled, 080212						
	1999		**2000**		**2001**	
Country	Qty. in Metric Tons	USD $1000	Qty. in Metric Tons	USD $1000	Qty. in Metric Tons	USD $1000
Spain	194	767	348	1367	609	199
United States	660	2243	696	2172	693	1994
World Total	897	3183	1101	3540	1365	4118

Dates, fresh or dried, 080410						
	1999		**2000**		**2001**	
Country	Qty. in Metric Tons	USD $1000	Qty. in Metric Tons	USD $1000	Qty. in Metric Tons	USD $1000
Iran	402	298	241	187	333	236
United States 4		13			0.05	0.026
World Total	517	491	241	250	441	371

Grapes, dried, 080620						
	1999		**2000**		**2001**	
Country	Qty. in Metric Tons	USD $1000	Qty. in Metric Tons	USD $1000	Qty. in Metric Tons	USD $1000
Greece	3980	4487	4113	4102	3931	3728
Iran	6590	5709	7032	6145	6578	4374
Turkey	695	755	1375	1402	2847	1896
United States	774	1546	990	1480	1180	1277
World Total	12361	13296	13976	13765	14830	11583

Ground-nuts, in shell not roasted or cooked, 120210						
	1999		**2000**		**2001**	
Country	Qty. in Metric Tons	USD $1000	Qty. in Metric Tons	USD $1000	Qty. in Metric Tons	USD $1000
China	3599	2673	3868	2754	4408	2774
India	102	78	125	76	18	12
United States	0	0	0	0	11	28
World Total	3701	2751	3993	2894	4466	2831

Ground -nuts shelled, not roasted or cooked, 120220						
	1999		**2000**		**2001**	
Country	Qty. in Metric Tons	USD $1000	Qty. in Metric Tons	USD $1000	Qty. in Metric Tons	USD $1000
Argentina	5634	4694	2242	2027	4794	3908
China	7493	5411	10766	7852	10756	7608
India	2336	1656	2301	1715	2058	1361
United States	566	537	2581	2299	897	764
World Total	17456	13450	18332	14342	19797	14528

Mixtures of edible nuts, dried and pres, 081350						
	1999		**2000**		**2001**	
Country	Qty. in Metric Tons	USD $1000	Qty. in Metric Tons	USD $1000	Qty. in Metric Tons	USD $1000
Phillipines					3	3
United States 4		23	1	2	1	0.6

World Total	59	154	70	97	30	108

Pistachios, fresh or dried, 080250						
	1999		**2000**		**2001**	
Country	Qty. in Metric Tons	USD $1000	Qty. in Metric Tons	USD $1000	Qty. in Metric Tons	USD $1000
Iran	436	1257	494	1633	867	2687
Italy	10	32	13	44	13	32
Turkey	64	195	61	206	183	507
United States	3	2	0.2	0.2	0.7	2
World Total	516	1496	571	1889	1066	3239

Prunes, dried, 081320						
	1999		**2000**		**2001**	
Country	Qty. in Metric Tons	USD $1000	Qty. in Metric Tons	USD $1000	Qty. in Metric Tons	USD $1000
Argentina					70	100
Chile	426	536	219	310	423	563
France	136	204	2	4	26	45
United States	2068	2920	2226	2922	24999	3620
World Total	2743	3740	2504	3339	3044	4343

Walnuts in shell, fresh or dried, 080231						
	1999		**2000**		**2001**	
Country	Qty. in Metric Tons	USD $1000	Qty. in Metric Tons	USD $1000	Qty. in Metric Tons	USD $1000
France	208	179	233	172	274	198
United States	135	101	46	27	103	62
World Total	344	281	280	201	377	261

Walnuts, fresh or dired, shelled, 080232						
	1999		**2000**		**2001**	
Country	Qty. in Metric Tons	USD $1000	Qty. in Metric Tons	USD $1000	Qty. in Metric Tons	USD $1000
Czech	17	44	4	10	17	37
Slovakia			1	3	11	28

United States 1		3	0.005	0.001	0.016	0.077
World Total	71	520	29	162	46	165

Section III. Costs & Prices

Costs of dried fruits and nuts vary by which segment of the market they are sold, in addition to what brand they carry. However, overall price fluctuation is moderate. The following depicts retail prices for dried fruit and nuts in August 2002. (The exchange rate is 1 U.S. dollar equals 4.12 zloty)

Table II. Retail Prices

Commodity	**Weight (grams)**	**Price (in zloty)**
Peanuts	100	2.19-2.50
	500	7.69-8.70
Salted Peanuts	80	1.29
	150	2.89
	500	5.69-7.69
	1000	10.95-11.55
Honey Peanuts	300	6.49
Papyrika Peanuts	70	2.25
In shell peanuts	250	1.99
Almonds	100	4.00-5.20
	200	8.20
Commodity	**Weight (grams)**	**Price (in zloty)**
Pistachios	100	6.15
	150	5.95
	250	7.6
Walnuts	150	3.55
	250	4.8
Hazelnuts	150	4.95
Royal Raisins	150	2.25
California Prunes	100	4.5
	150	3.35
	400	6
In Bulk	**Zlotys/1 kg**	

Almonds	34.95	
Peanuts in shell	7.99	
Prunes	19.95	
White Raisins	5.99	
Dried Apricots	24.9	
Mixed Dried Fruit	22.95	

Poland's import tariffs on dried fruit and nuts are relatively low, in comparison to other Polish agricultural import duties, reflecting little to no local production. Movement toward Poland's probable EU accession gives EU member states duty free market access. As of September 6, 2002, in shell almonds were reduced from 16% to 5.6% and shelled almonds from 16% to 3.5%. Poland's accession to the EU will benefit U.S. dried fruit and nut exporters by significantly reducing all current tariffs and even bringing peanuts (HTS 120210 - in-shell & HTS 120220 - shelled) to 0%.

Table III. Dried Fruits and Nut Tariffs

CN Code	Name of product	WTO*	EU Accession	EU	DEV	LDC	EFTA	Czech Romania Hungary Lithuania Latvia	Turkey
080211	Almonds, in shell	5.6%	5.6%	0	12.8	0		0	
080212	Almonds, shelled	3.5%	3.5%	0	11.2	0		0	
080231	Walnuts, in shell	20	4%	0	14	0		0	
080232	Walnuts, shelled	25	5.1%	0	17.5	0		0	
080250	Pistachios	25	1.6%	0	11.2	0		0	
080410	Dates	15	7.7%	0	0	0		0	
080620	Grapes, dried	9	2.4%	0	6.3	0		0	3
081320	Prunes, dried	25	9.6%					0	
081350	Mixture of nuts	25	4%	0				0	
120210	Ground nuts, in shell	15	0%		0	0			
120220	Ground nuts, shelled	15	0%	0	0	0		0	

* WTO applies to products originating from the U.S.

Section IV. Market Access

Shipments of dried fruit and nuts require a phytosanitary certificate. Any shipment containing prohibited organisms (fungi, viruses, bacteria, insects, mites, weeds) will be prohibited from entering Poland. A list of prohibited organisms is available from the Main Inspectorate of Plant Protection and available on the Inspectorate web page: http://www.pior.gov.pl For information regarding aflatoxin levels, please see Section V.

- Registration of a new imported product:

All imported products must be approved for sale or use on the Polish market. In order to test or register a new product or start procedures for receiving approval of a new additive, (not specified in the approved additives list), the following procedure should be followed:

Appropriate Voivod Sanitary Station should be contacted. In case of Warsaw - the Wojewodzka Stacja Sanitarna (SANEPID).

An appropriate local sanitary station must be supplied with a product sample for testing. The tests can take between 2 weeks and 2 months. The cost is difficult to estimate but may amount to $250.00 per product. An estimate of the cost can be obtained from the SANEPID station when it is presented with product details. The lab tests for product ingredients determine whether they are permitted on the Polish market.

If it is determined that all the ingredients are allowed on the Polish market, SANEPID test results are sufficient for the product to be sold in Poland. However, should some ingredients be questioned, additional requests must be submitted to State Hygiene Office (Panstwowy Zaklad Higieny).

Please note that product testing in SANEPID can only be ordered by a firm registered in Poland! (eg. potential importer). Each region in Poland has appropriate sanitary stations (a list is available from Warsaw SANEPID)- eg. Only firms registered in Warsaw or neighboring areas can conduct product testing in the Warsaw Sanitary Station).

Effective July 15, 1994 per Journal of Law no. 86 chapter 402, all package/canned food products are required to have Polish language labels. Multi-language labels are acceptable as long as they include Polish. The label must contain: name of the product, name and address of the producer, date best before - the Polish phrase “najlepiej spozyc przed. terminem XXX” is not commonly used, net content (weight/capacity), and content of the product (ingredients, chemical additives, etc.)

Labeling must be applied in the form of a whole label or a permanent sticker before the product can enter Poland. Products arriving in Poland without appropriate labels will be detained at the border until appropriate labels are applied.

Poland’s Ministry of Health and Social Welfare published new regulations (Monitor Polski no. 22 pos. 233) on allowable food additives on March 31, 1993. Poland uses a positive list, which identifies additives that are permitted for use in foodstuffs. Please note that a new list on positive additives was published earlier this year.

If you would like to contact authorities directly involved in preparing regulations on food additives and inspection of additive levels in imported products, please contact the National Food and Nutrition Institute.

Section V. Key Contacts and Further Information

Embassy of the United States of America
Office of Agricultural Affairs, Warsaw, Poland
Wayne Molstad, e-mail: agwarsaw@fas.usda.gov
tel: 48 22 628 2460, fax: 48 22 628 1172

Mazowiecka Sanitary Station - SANEPID - actual tests & check ups
Mr. Krzysztof Dziubinski, Acting Voividship Sanitary Inspector
Ms. Ewa Sosnowska, Director of Food and Nutrition Department
ul. Zelazna 79
00-875 Warsaw
ph: 4822-6201656, 6209001 ext. 42
fax: 4822-6248209
www.wsse-wawa@supermedia.pl

Institute of Food and Nutrition
-Dr. Lucjan Szponar, Director
or
Ms. Katarzyna Stos
Section for Food and Nutrition Manager
ul. Powsinska 61/63
02-903 Warsaw
ph: 4822-5509677, 8420571, 8422171
fax: 4822-8421103
fax: 4822-423742

For aflatoxin information please contact:

State Hygiene Office- (Panstwowy Zaklad Higieny) - PZH Prof.Jan Krzysztof Ludwicki, Director, ph: 4822-8497084
Ms. Katarzyna Czaja, chemical residue lab, ph: 4822-8493332 Ms. Krystyna Rybinska, Food Testing Unit

ul. Chocimska 24
Warsaw
ph: 4822-8494051 ext. 359, 339
fax: 4822-8493513, 8497441

Main Sanitary Inspection (Glowny Inspektor Sanitarny - GIS) Mr. Andrzej Trybusz
ul. Dluga 38/40
00-238 Warsaw
ph: 4822-6351559
fax: 4822-6356194

Polish Center for Research and Certification Ms. Ewa Slowinska
Manager Food Department
ul. Klobucka 23A
02-699 Warsaw
ph: 4822-6470722, 8579916
fax: 4822-6471109
e-mail: cert.wyr@pcbc.gov.pl
www.pcbc.gov.pl